EXECUTIVE SUMMARY

Date Summary Prepared: July 7, 2014

Mine Name: Blawn Mountain	**I.D. Number:** M/001/0082
Operator: Utah Alunite Corporation	**Date Original Notice Received:** December 23, 2013
Address: 170 S Main St., Ste. 500, SLC, UT 84101	**County:** Beaver
Contact Person: Guy Bentinck	Multiple large pits and associated low-grade ore stockpiles and waste dumps are planned. Processing facilities at the site will produce sulfate of potash (SOP) and sulfuric acid. Tailings will be disposed of on-site.
Telephone: 416-362-8640	**Mineral Ownership:** SITLA
	Surface Ownership: SITLA
	Lease No.(s): ML-51983.0 OBA, ML-52513, ML-48698.0 MC

Life of Mine: 40 years

Legal Description:
Sections 1, 2, 11, 12, 13, 14, 15, 16, 21, 22, 23, 24, 25, 26, 27, and 28, Township 29 South, Range 15 West, SLBM, Beaver County, Utah.

Mineral(s) to be Mined: Alunite, for the production of sulfate of potash (SOP) and sulfuric acid.

Acres to be Disturbed: Approximately 2,306 acres.

Present Land Use: Undisturbed lands are used for livestock grazing and wildlife habitat.

Postmining Land Use: Livestock grazing and wildlife habitat.

Variances from Reclamation Standards (Rule R647) Granted: No variances have been requested.

Soils and Geology

Soil Description: Soils within the proposed disturbance area were classified into 19 soil types several associations. Soils depths ranged from 0 (outcrops) to several feet thick. Soil pH ranged from 6.2-8.3 pH units. Soils did not have salinity problems and have reasonable levels of organic matter. Soils are considered suitable for reclamation.

Available soils will be salvages as the mine progresses with salvaged soils being placed in strategically located stockpiles or direct hauled for reclamation. Stockpiled soils will be protected from further impacts by establishing a temporary vegetation cover and berming around the base of the pile. Soils will be re-applied on most areas at depths ranging from 6 inches to 1.5 feet. Soil will not be replaced on highwall slopes, road areas or the pit floors.

Geology Description: The project area is located in the Basin and Range –Colorado Plateau Transition Physiographic Province, in the Tonoquints Volcanic Section. The section is characterized by a concentration of related, extrusive, volcanic rocks that were once continuous from near Pioche, Nevada to Marysvale in Piute County, Utah. Some of the volcanic cover has been eroded to expose pre-existing topography of Paleozoic and Mesozoic sedimentary rocks. Near

the ancient volcanic centers where production of extrusive material reached a maximum, all traces of the underlying sedimentary sections have been submerged below volcanic rocks of great thickness and complexity. Regional structural extension resulted in uplifted mountain blocks and down dropped basins. The geomorphology of the province is a broad belt in which geologic features are gradational between typical plateau and basin and range features which merge and overlap, being dominated by the north-south structural alignments, parallel to those of the Great Basin. Drainage is almost entirely into the Great Basin. The geology of the project area consists of altered volcanic tuff and rhyolite porphyry, with moderate normal faulting related to the Basin and Range faulting. The deposit is controlled by its original alteration geometry, block faulting and erosion. Hydrothermal alteration at the site is a typical hydrothermal package consisting of a silica cap, a quartz-alunite zone, a hematite-clay zone and a propylitic zone.

Hydrology

Ground Water Description: Groundwater in the project area is limited to isolated lenses of limited extent and limited transmissivity, and is of marginal quality (with total dissolved solids measuring 1,100 to 2,500 mg/L), based on monitoring of groundwater in wells and reports of past exploratory drilling. Some springs and seeps of similar quality are located within the permit boundaries, but are not in the proximity of pits, dumps, facilities, or tailings, and no direct impact to related ground water systems is expected.

Surface Water Description: Surface water flows in most drainages in the project area are ephemeral, only responding to very large storm events. Surface water is sometimes present in proximity to springs and seasonal seeps, but not in the immediate area of operations. Sediment basins and the collection and sediment ponds have been designed to allow for storage of runoff during large precipitation events. Impacts to surface waters are expected to be insignificant.

Water Monitoring Plan: No new monitoring wells are planned.

Ecology

Vegetation Type(s); Dominant Species: Vegetation in the area is dominated by three community types: Pinyon/juniper woodlands (73.9% of the area), Black Sagebrush (10.4% of the area), and Mountain sagebrush (15.6% of the area) types. Much of the PJ area had been chained during the 1960's. Vegetation ground cover varied from 20% to 55%, with an average of 39% cover. The revegetation success standard would then be 27%. There were no wetlands present.

Wildlife Concerns: The Project Area was surveyed in June 2013 to evaluate the general wildlife and habitats and the presence of federally listed threatened, endangered, or candidate species and state sensitive species or their habitat. None were found. Wildlife species within the project area are typical of PJ and sagebrush communities, and include deer, elk, mountain lion, bobcat, coyote, rabbits, rodents, wild horses, and a variety of reptile and bird species.

Surface Facilities: Mining-related facilities will include structures to house equipment maintenance activities, fueling stations, and administrative offices, as well as equipment storage areas. Processing facilities will include areas, buildings, and equipment for crushing, stockpiling, milling, and leaching the ore, and for further processing to generate sulfate of potash and sulfuric acid. A sewage water treatment plant will also be constructed, and an on-site power plant may be constructed. Other facilities will include chemical storage tanks (such as for sulfuric acid) and other equipment, structures, and containers.

Mining and Reclamation Plan Summary:

During Operations: Ore will be mined from benched open pits in two mining areas at a reported rate of 4.7 million cubic yards annually, and then crushed, milled, and roasted. Calcined and roasted ore will then be leached with hot water to produce brine from which sulfate of potash (SOP) will be produced through crystallization and dewatering processes. Sulfuric acid will also be produced for sale as a byproduct of the calcination and roasting process. Four large low grade ore piles are planned from which material is anticipated to be processed after open pit mining operations have concluded.

Waste rock removed during mining will be placed in a designated waste rock dump area and backfilled into open pits located. Tailings produced from the leached ore (about 185 million cubic yards) are projected to be relatively free-draining and chemically inert, and will be deposited without a liner or impoundment upstream of a tailings decant collection pond. Water from the decant collection pond will be conveyed to a settling pond and recycled to the facilities area for use in processing.

After Operations: Waste rock and any unprocessed low-grade ore will be regraded to a stable configuration with slopes suitable for revegetation (at least to slopes of 2H:1V). Backfilling and some regrading of the waste rock pile will be done concurrent with mining. Backfilled waste rock in pits will also be graded to a stable configuration (at least to slopes of 2H:1V). Most of the graded waste rock areas will be covered with at least 1 foot of soil, ripped, and seeded. Most waste rock areas not covered with soil will be ripped and seeded with an approved seed mix. Waste rock and ore are not expected to be acid-forming or deleterious.

Reclamation plans for the tailings include regrading of the outer slopes of the placed tailings to no steeper than 2H:1V. No water is projected to be impounded by the constructed tailings impoundment, and the surface and outer slopes of the tailings are anticipated to dry quickly, allowing immediate placement of 1.5 feet of soil, scarification, and seeding with an approved seed mix. The collection pond and other impounding structures at the site (including the settling pond and other sediment ponds at the site) will be removed and the dams recontoured to match surrounding topography. Tailings are not expected to be acid-forming or deleterious.

Structures and components of processing plants and associated infrastructure will be dismantled and disposed off-site. Cement foundations will be broken up and buried with four feet of cover prior to ripping and seeding. All tanks and containers will be removed from the site for proper disposal, as well as their contents (such as sulfuric acid, fuel, chemicals, wastes, or other materials). All trash, equipment, and debris will be removed and appropriately disposed.

Roads will be graded and revegetated, except for one road that may be maintained by Beaver county.

Revegetation of the area will be accomplished by a mix of broadcast and drill seeding methods (including some aerial seeding) using a seed mix selected for its benefit to wildlife habitat and grazing. All areas will be seeded including reclaimed roads and pit floors, even though topsoil will not be replaced on these areas.

Surety

Current Amount: Reclamation cost calculations will be reviewed to determine an adequate reclamation bond.
Form: To be determined
Renewable Term: To be determined